

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:84
ANSWERED ON:27.07.2001
FALL IN VALUE OF RUPEE
AMBATI BRAHMANAIAH;MAHESHWAR SINGH

Will the Minister of FINANCE be pleased to state:

- (a): whether the value of rupee has fallen against the major foreign currencies recently;
- (b): if so, the reasons therefor;
- (c): the extent to which the value of rupee has fallen against the major foreign currencies during each of the last six months; and
- (d): the steps taken by the Government to check the fall in the value of Indian rupee?

Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a), (b), (c) & (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 84 regarding 'Fall in value of rupee' for answer on 27-7-2001.

(a), (b) & (c): The rupee had appreciated by 4.3 percent against the Euro, by 3.6 percent against the Pound Sterling and by 8.6 percent against the Japanese Yen during January 2001 to June 2001, while it had depreciated by 0.5 percent against the US dollar during the same period. The extent of appreciation / depreciation (-) of rupee against each of these currencies in each of the months from January 2001 to June 2001 is given below:

Month	Rs./US Dollar	App/Dep (-)	Rs./Yen	App/Dep (-)	Rs./Euro	App/Dep (-)	Rs./Pound Stg.	App/Dep (-)
(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)	(Period of Avg.)
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Dec 00	46.75		41.73	41.87	68.28			
Jan.01	46.54	0.45	39.91	4.56	43.75	-4.30	68.93	-0.94
Feb.01	46.52	0.04	40.05	-0.35	42.96	1.84	67.68	1.85
Mar.01	46.62	-0.21	38.46	4.13	42.44	1.23	67.39	0.43
Apr.01	46.78	-0.34	37.89	1.50	41.80	1.53	67.22	0.25
May01	46.92	-0.30	38.53	-1.66	41.05	1.83	66.92	0.45
Jun.01	47.00	-0.17	38.42	0.29	40.16	2.22	65.89	1.56

+ Rupees per 100 Yen.

(d): The day-to-day movements in exchange rates are largely determined by demand and supply conditions in the foreign exchange market in India. The developments in the financial markets in India and abroad are monitored closely both by the Government and the Reserve Bank of India and appropriate measures are taken, when necessary, to reduce excessive volatility in the exchange rate, prevent the emergence of destabilizing speculative activities, develop orderly foreign exchange market conditions and to help maintain adequate level of foreign exchange reserves.